

**RESOLUTION NO. 75471**

**A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN JOSE AUTHORIZING THE CITY MANAGER AND THE CITY MANAGER'S AUTHORIZED DESIGNEES TO NEGOTIATE AND EXECUTE (I) THE TWELFTH AMENDMENT TO THE GENERAL BANKING SERVICES AGREEMENT WITH UNION BANK OF CALIFORNIA ("UBOC") TO INCREASE THE MAXIMUM ANNUAL COMPENSATION BY \$30,000 FROM \$320,000 TO AN AMOUNT NOT TO EXCEED \$350,000 TO PROVIDE FINAL BANKING AND TRANSITION SERVICES THROUGH JUNE 30, 2010; (II) THE THIRD AMENDMENT TO THE AGREEMENTS WITH WELLS FARGO BANK FOR GENERAL BANKING SERVICES AND MERCHANT CARD PROCESSING SERVICES AND THE FIRST AMENDMENT TO THE AGREEMENT WITH WELLS FARGO BANK FOR CUSTODIAL SERVICES TO INCREASE THE MAXIMUM ANNUAL COMPENSATION BY \$145,000 FROM \$574,000 TO AN AMOUNT NOT TO EXCEED \$719,000 FOR THE INITIAL TERM THROUGH JUNE 30, 2010, AND (III) AMENDMENTS TO THE AGREEMENTS WITH UBOC AND WELLS FARGO BANK, IF NECESSARY, TO EITHER INCREASE OR DECREASE THE MAXIMUM ANNUAL COMPENSATION OR EXTEND THE TERM OF THE UBOC AGREEMENT WITHOUT FURTHER CITY COUNCIL APPROVAL PROVIDED THE TOTAL MAXIMUM COMPENSATION FOR BANKING SERVICES DOES NOT EXCEED APPROPRIATED FUNDS FOR BANKING SERVICES**

**WHEREAS**, in May 2009, the City Council of the City of San José ("City Council") approved the recommendation to enter into a contract with Wells Fargo Bank ("Wells Fargo") to provide the City's banking and financial services including General Banking Services, Merchant Card Processing Services, Lockbox Services, and Securities Custody Services, in a total maximum annual amount not to exceed \$864,000 for the

initial period through June 30, 2010, and thereafter subject to annual appropriation of funds; and

**WHEREAS**, at the same time, the City Council approved the recommendation to extend the term of the contract for General Banking Services with Union Bank of California ("UBOC") for the period of July 1, 2009 to June 30, 2010 and to increase the amount of compensation from \$148,500 to \$178,500 in order to provide final banking and transition services; and

**WHEREAS**, in March 2010 the City Council approved the recommendation to amend the Agreement with UBOC to increase the amount of compensation by \$141,500 from \$178,500 to an amount not to exceed \$320,000 and to amend the Agreements with Wells Fargo for General Banking Services and Merchant Card Processing Services to decrease the amount of compensation by \$141,500 from \$715,500 to an amount not to exceed \$574,000, with no change in the total appropriation for banking services as approved by the City Council on June 23, 2009; and

**WHEREAS**, due to the complexity of the City's first banking transition in over a decade, certain bank product lines could not be migrated from UBOC until technology enhancements and/or process changes were implemented, which necessitated maintaining UBOC product lines beyond initially anticipated timeframes and resulted in banking fees in excess of initial contract authority estimates; and

**WHEREAS**, the City desires to negotiate and execute (i) the Twelfth Amendment to the General Banking Services Agreement with UBOC to increase the maximum annual

compensation by \$30,000 to an amount not to exceed \$350,000 to provide final banking and transition services through June 30, 2010; (ii) the Third Amendment to the Agreements with Wells Fargo for General Banking and Merchant Card Processing Services to increase the maximum annual compensation by \$145,000 to an amount not to exceed \$719,000 through June 30, 2010, and (iii) amendments to the Agreements with UBOC and Wells Fargo Bank, if necessary, to either increase or decrease the maximum annual compensation or extend the term of the UBOC agreement without further City Council approval provided the total maximum compensation for banking services does not exceed the appropriated funds;

**NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SAN JOSE THAT:**

The City Manager and the City Manager's authorized designees are hereby authorized to negotiate and execute (i) the Twelfth Amendment to the General Banking Services Agreement with Union Bank of California to increase the maximum annual compensation by \$30,000 to an amount not to exceed \$350,000 to provide final banking and transition services from through June 30, 2010; (ii) the Third Amendment to the Agreements with Wells Fargo Bank for General Banking and Lockbox Services to increase the maximum annual compensation by \$44,000 to an amount not to exceed \$250,000, for Merchant Card Processing Services to increase the maximum annual compensation by \$100,000 to an amount not to exceed \$450,000, and the First Amendment to the Agreement with Wells Fargo Bank for Custodial Services to increase the maximum annual compensation by \$1,000 to an amount not to exceed \$19,000 through June 30, 2010; and (iii) amendments to the Agreements with UBOC and Wells

Fargo Bank, if necessary, to either increase or decrease the maximum compensation or extend the term of the UBOC Agreement without further City Council approval provided the total maximum compensation for banking services does not exceed the appropriated funds.

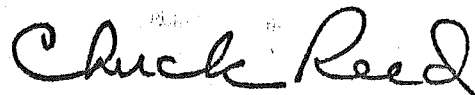
ADOPTED this 22<sup>nd</sup> day of June, 2010, by the following vote:

AYES: CHIRCO, CHU, HERRERA, KALRA, LICCARDO,  
NGUYEN, OLIVERIO, PYLE; REED.

NOES: NONE.

ABSENT: CAMPOS, CONSTANT.

DISQUALIFIED: NONE.

  
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CHUCK REED  
Mayor

ATTEST:

  
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LEE PRICE, MMC  
City Clerk